

SENATE BILL No. 425

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-4-30-5; IC 6-1.1-12.

Synopsis: Coal combustion property tax deduction. Provides a property tax deduction for a building if materials made from coal combustion products are systematically used in the building's construction. Provides that, in order for construction materials to qualify a building for the property tax deduction, at least 60% of the materials' dry weight must consist of coal combustion products.

Effective: July 1, 2005.

Waterman

January 13, 2005, read first time and referred to Committee on Tax and Fiscal Policy.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

SENATE BILL No. 425

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-4-30-5 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2005]: Sec. 5. The center for coal technology
3 research is established to perform the following duties:

- 4 (1) Develop technologies that can use Indiana coal in an
5 environmentally and economically sound manner.
- 6 (2) Investigate the reuse of clean coal technology byproducts,
7 including fly ash.
- 8 (3) Generate innovative research in the field of coal use.
- 9 (4) Develop new, efficient, and economical sorbents for effective
10 control of emissions.
- 11 (5) Investigate ways to increase coal combustion efficiency.
- 12 (6) Develop materials that withstand higher combustion
13 temperatures.
- 14 (7) Carry out any other matter concerning coal technology
15 research, including public education, as determined by the center.
- 16 (8) Administer the Indiana coal research grant fund under
17 IC 4-23-5.5-16.

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(9) Determine whether a building is eligible for a property tax deduction under IC 6-1.1-12-34.5.

SECTION 2. IC 6-1.1-12-34.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 34.5. (a) As used in this section, "coal combustion product" has the meaning set forth in IC 6-1.1-44-1.**

(b) As used in this section, "qualified building" means a building designed and constructed to systematically use qualified materials throughout the building.

(c) For purposes of this section, building materials are "qualified materials" if at least sixty percent (60%) of the materials' dry weight consists of coal combustion products.

(d) The owner of a qualified building, as determined by the center for coal technology research, is annually entitled to a property tax deduction. The amount of the deduction equals the product of:

- (1) the assessed value of the qualified building; multiplied by**
- (2) five percent (5%).**

SECTION 3. IC 6-1.1-12-35.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 35.5. (a) Except as provided in section 36 of this chapter, a person who desires to claim the deduction provided by section 31, 33, ~~or~~ 34, **or 34.5** of this chapter must file a certified statement in duplicate, on forms prescribed by the department of local government finance, and proof of certification under subsection (b) **or (f)** with the auditor of the county in which the property for which the deduction is claimed is subject to assessment. Except as provided in subsection (e), with respect to property that is not assessed under IC 6-1.1-7, the person must file the statement between March 1 and May 10, inclusive, of the assessment year. The person must file the statement in each year for which he desires to obtain the deduction. With respect to a property which is assessed under IC 6-1.1-7, the person must file the statement between January 15 and March 31, inclusive, of each year for which he desires to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. On verification of the statement by the assessor of the township in which the property for which the deduction is claimed is subject to assessment, the county auditor shall allow the deduction.**

(b) This subsection does not apply to an application for a deduction under section 34.5 of this chapter. The department of environmental management, upon application by a property owner,

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shall determine whether a system or device qualifies for a deduction provided by section 31, 33, or 34 of this chapter. If the department determines that a system or device qualifies for a deduction, it shall certify the system or device and provide proof of the certification to the property owner. The department shall prescribe the form and manner of the certification process required by this subsection.

(c) **This subsection does not apply to an application for a deduction under section 34.5 of this chapter.** If the department of environmental management receives an application for certification before April 10 of the assessment year, the department shall determine whether the system or device qualifies for a deduction before May 10 of the assessment year. If the department fails to make a determination under this subsection before May 10 of the assessment year, the system or device is considered certified.

(d) A denial of a deduction claimed under section 31, 33, ~~or 34~~, or **34.5** of this chapter may be appealed as provided in IC 6-1.1-15. The appeal is limited to a review of a determination made by the township assessor, county property tax assessment board of appeals, or department of local government finance.

(e) A person who timely files a personal property return under IC 6-1.1-3-7(a) for an assessment year and who desires to claim the deduction provided in section 31 of this chapter for property that is not assessed under IC 6-1.1-7 must file the statement described in subsection (a) between March 1 and May 15, inclusive, of that year. A person who obtains a filing extension under IC 6-1.1-3-7(b) for an assessment year must file the application between March 1 and the extended due date for that year.

(f) **This subsection applies only to an application for a deduction under section 34.5 of this chapter. The center for coal technology research established by IC 4-4-30-5, upon receiving an application from the owner of a building, shall determine whether the building qualifies for a deduction under section 34.5 of this chapter. If the center determines that a building qualifies for a deduction, the center shall certify the building and provide proof of the certification to the owner of the building. The center shall prescribe the form and procedure for certification of buildings under this subsection. If the center receives an application for certification of a building under section 34.5 of this chapter before April 10 of an assessment year:**

- (1) the center shall determine whether the building qualifies for a deduction before May 10 of the assessment year; and
- (2) if the center fails to make a determination before May 10

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1 **of the assessment year, the building is considered certified.**

2 SECTION 4. IC 6-1.1-12-36 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 36. (a) A person who
4 receives a deduction provided under section 26, 29, 33, 34, **34.5**, or 38
5 of this chapter for a particular year and who remains eligible for the
6 deduction for the following year is not required to file a statement to
7 apply for the deduction for the following year.

8 (b) A person who receives a deduction provided under section 26,
9 29, 33, 34, **34.5**, or 38 of this chapter for a particular year and who
10 becomes ineligible for the deduction for the following year shall notify
11 the auditor of the county in which the real property or mobile home for
12 which he received the deduction is located of his ineligibility before
13 March 31 of the year for which he becomes ineligible.

14 (c) The auditor of each county shall, in a particular year, apply a
15 deduction provided under section 26, 29, 33, 34, **34.5**, or 38 of this
16 chapter to each person who received the deduction in the preceding
17 year unless the auditor determines that the person is no longer eligible
18 for the deduction.

19 SECTION 5. [EFFECTIVE JULY 1, 2005] **(a) IC 6-1.1-12-34.5, as**
20 **added by this act, applies to property tax assessments made after**
21 **December 31, 2005.**

22 **(b) IC 6-1.1-12-35.5 and IC 6-1.1-12-36, both as amended by this**
23 **act, apply to property tax assessments made after December 31,**
24 **2005.**

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